

INTEGRAL

MASTER TRUST

Product Disclosure Statement For an offer of units in the Integral Master Trust

Issuer: Britannia Financial Services Limited

Dated: 14 April 2020

This Product Disclosure Statement replaces the Product Disclosure Statement dated 15 January 2020.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on companiesoffice.govt.nz/disclose. Britannia Financial Services Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013 (**FMC Act**). You can also seek advice from a financial adviser to help you make an investment decision.

1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Britannia Financial Services Limited (**Britannia, us or we**) will invest your money and charge you a fee for its services. The returns you receive are dependent on the investment decisions of Britannia, its investment managers and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

Five investment options (the **Funds**) are offered under this Product Disclosure Statement (**PDS**).

These investment options are summarised below. More information about the investment target and strategy for each investment option is provided in Section 3 ("Description of your investment options").

Who manages the Integral Master Trust?

Britannia is the manager of the Integral Master Trust (**IMT**).

Section 7 ("Who is involved?") of the PDS has more information.

How can you get your money out?

You may request a withdrawal in full or in part at any time by giving Britannia a redemption request form. The minimum withdrawal amount is \$1,000 (although we can waive this). Each Fund will normally pay a withdrawal within ten Business Days of us receiving the completed form but it may take longer in some cases (up to 60 Business Days). In some circumstances, we may suspend or defer withdrawals where we consider there is a material adverse change in the position of a Fund or it is advisable in the interests of investors in the Fund.

Section 2 ("How does this investment work?") of the PDS has more information.

Your investment in the IMT can be sold but there is no established market for trading these financial products. This means you may not be able to find a buyer for your investment.

How will your investment be taxed?

Each Fund is a Portfolio Investment Entity (**PIE**). The amount of tax you pay in respect of a PIE is based on your Prescribed Investor Rate (**PIR**). To determine your PIR, go to ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate.

Section 6 ("What taxes will you pay?") of the PDS has more information.

Where can you find more key information?

Britannia is required to publish quarterly updates for each Fund. The updates show the returns, and the total fees actually charged to investors, during the previous year. The latest fund updates are available at britanniafinancial.co.nz/integral-master-trust/forms-and-documents. We will also give you copies of those documents on request.

Name of Fund	Investment Strategy	Risk indicator	Fund Charges (Estimated) (as % of net asset value each year)	Buy/Sell spread (for each application or withdrawal)*
Cash Holding Fund	To aim to preserve capital through investing in cash and short-term interest bearing investments.	<p>Potentially lower returns ← → Potentially higher returns</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p>	0.77%	Not applicable
Fixed Interest Fund	To aim to provide a low to medium risk income producing investment over the medium-term by investing in a diversified portfolio of fixed interest investments.	<p>Potentially lower returns ← → Potentially higher returns</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p>	1.01%	Not applicable
Diversified 40 Fund	To aim to generate consistent returns utilising a diversified portfolio with a slight bias towards defensive assets (currently 60 per cent defensive and 40 per cent growth but subject to change at our discretion).	<p>Potentially lower returns ← → Potentially higher returns</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p>	1.23%	0.05% / 0.05%
Diversified 60 Fund	To aim to generate long-term capital growth utilising a diversified portfolio with a slight bias towards growth assets (currently 40 per cent defensive and 60 per cent growth but subject to change at our discretion).	<p>Potentially lower returns ← → Potentially higher returns</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p>	1.25%	0.08% / 0.08%
Global Equities Fund	To aim to achieve long-term capital growth through a structured exposure to listed global shares.	<p>Potentially lower returns ← → Potentially higher returns</p> <p>1 2 3 4 5 6 7</p> <p>← Lower risk Higher risk →</p>	1.32%	0.16% / 0.16%

* A buy/sell spread is charged on each application and withdrawal and is paid to the Fund as part of the calculation of the unit price. Buy/sell spreads may be changed or imposed at any time, without notice, to reflect the Manager’s assessment of underlying transaction costs.

See Section 4 (“What are the risks of investing?”) of the PDS for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your own risk profile at sorted.org.nz/tools/investor-kickstarter.

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2. How does this investment work?

The IMT is governed by a Trust Deed dated 14 April 2020 (as amended or consolidated from time to time). The Trust Deed appoints a Manager and Supervisor. Section 7 has more details on their roles.

This PDS for the IMT offers units in the following funds:

Diversified funds

- Diversified 40 Fund
- Diversified 60 Fund

These Funds are built to capture varying amounts of return and risk. They invest in different proportions of cash, fixed interest and shares to meet varying investor needs.

Asset class funds

- Cash Holding Fund
- Fixed Interest Fund
- Global Equities Fund

You can use asset class funds to increase or decrease the risk and return of your portfolio compared to that offered by the diversified funds.

When you invest money in one or more of the above Funds, you will receive units in the Fund(s) you choose. Each Fund pools the money received from all investors to invest in various assets. Each Fund purchases assets in a manner described in Section 3 of this PDS. Pooling money in this way can enable investors to gain exposure to a wider variety of assets and provide greater diversity than they could achieve on their own. When you own units in a Fund, you receive a beneficial interest in that Fund and a right to the returns from the Fund's assets, but you do not own the underlying assets, and do not participate in management of the Fund.

Where you have invested in more than one Fund, you may wish to consider instructing us to maintain a stated proportion of your investment shared between those Funds. We refer to this as rebalancing. Contact Britannia or your financial adviser for more information.

All units have the same value, and that value can increase or decrease over time. We value the units daily by calculating a unit price. The unit price reflects the value of the underlying assets each Fund owns. As the underlying assets increase or decrease in value, the unit price increases or decreases.

The value of your investment is the current unit price multiplied by the number of units you own. Taxes and fees can impact the unit price and the number of units you own.

The assets of one Fund cannot be used to meet the liabilities of another Fund.

IMT does not currently pay distributions. Income is reinvested in the Funds. You must sell some or all of your units if you wish to realise your investment.

The key benefits of investing in the IMT are:

- A choice of different asset blends to suit short, medium and long term investment goals.
- Diversification i.e. spreading investments across asset classes and securities.
- The Funds are managed by investment professionals.

Making investments

You can make regular or lump sum contributions by completing the appropriate forms (which can be found at britanniafinancial.co.nz/integral-master-trust/forms-and-documents). All investments must meet the following minimums, unless we waive them:

- \$10,000 initial investment combined across all Funds you invest in, with a minimum investment of \$1,000 in each Fund in which you choose to invest.
- \$1,000 minimum additional lump sum investment per Fund.
- \$250 minimum additional regular investment per Fund via direct debit from your bank account.

Contributions will be used to purchase units at the unit price for that Fund, adjusted for any applicable buy spread. If we accept an application before noon, the unit price used will be the one calculated for that Business Day. If accepted after noon, the unit price used will be the one calculated on the following Business Day.

Withdrawing your investments

You can withdraw all or part of your investment in the IMT at any time by completing the appropriate forms (which can be found at britanniafinancial.co.nz/integral-master-trust/forms-and-documents).

Withdrawals must be for \$1,000 or more unless you are making a full withdrawal. We can waive the minimum withdrawal amount.

If you are making a partial withdrawal, you must maintain a minimum total investment balance of \$10,000, unless waived.

Withdrawals will be paid using money received from the sale of units which will be sold at the unit price for that Fund, adjusted for any applicable sell spread and PIE tax payable.

If we accept a withdrawal request before noon, the unit price used will be the one calculated for that Business Day. If accepted after noon, the unit price used will be the one calculated on the following Business Day. We will generally pay withdrawals within ten Business Days, but it could take up to 60 Business Days in some circumstances. Some investors may be able to use the express redemption facility, which allows withdrawals to be paid more quickly. A maximum of \$50,000 can be withdrawn under the express redemption facility, and the amount withdrawn must be less than half your total portfolio. A \$20 fee will apply if you use the express redemption facility. Contact Britannia or your financial adviser for more details.

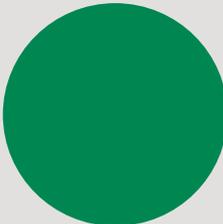
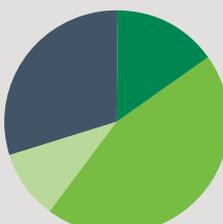
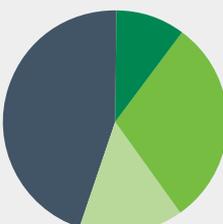
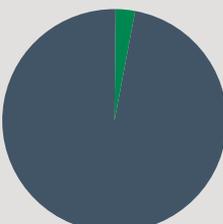
Britannia can defer or suspend withdrawals in certain circumstances (which are outlined in the Trust Deed). If those circumstances occur, we may suspend or defer withdrawals where we consider there is a material adverse change in the position of a Fund or it is advisable in the interests of investors in the Fund.

How to switch between Funds

You can switch all or part of your investment from one Fund to another Fund. You can do this at any time by completing the appropriate forms (which can be found at britanniafinancial.co.nz/integral-master-trust/forms-and-documents). We can refuse a switch request at any time without giving reasons.

Switches will be treated as a withdrawal from one Fund and an application for units in another Fund. This means a buy/sell spread may apply, and any accrued PIE tax may need to be paid.

3. Description of your investment options

Investment Option, Strategy and Objectives	Target investment mix	Risk indicator	Recommended minimum term
<p>Cash Holding Fund</p> <p>Objective: To aim to achieve a gross return before tax, fees and expenses at least equal to or higher than the S&P/NZX 30 Day Bank Bills Index.</p> <p>Strategy: To aim to preserve capital through investing in cash and short-term interest bearing investments.</p>	 <ul style="list-style-type: none"> NZ Cash 100% 	1	There is no minimum recommended term
<p>Fixed Interest Fund</p> <p>Objective: To aim to achieve a gross return before tax, fees and expenses at least equal to or higher than the JP Morgan Government Global Hedged Bond Index.</p> <p>Strategy: To aim to provide a low to medium risk income producing investment over the medium-term by investing in a diversified portfolio of fixed interest investments.</p>	 <ul style="list-style-type: none"> Fixed Interest 97% NZ Cash 3% 	2	3 years
<p>Diversified 40 Fund</p> <p>Objective: To aim to achieve a gross return before tax, fees and expenses at least equal to or higher than the weighted average of the applicable benchmark return for each of the asset classes.</p> <p>Strategy: To aim to generate consistent returns utilising a diversified portfolio with a slight bias towards defensive assets (currently 60 per cent defensive and 40 per cent growth but subject to change at our discretion).</p>	 <ul style="list-style-type: none"> Global Shares 30% Australian Shares 10% International Fixed Interest 45% NZ Cash 15% 	4	4 years
<p>Diversified 60 Fund</p> <p>Objective: To aim to achieve a gross return before tax, fees and expenses at least equal to or higher than the weighted average of the applicable benchmark return for each of the asset classes.</p> <p>Strategy: To aim to generate long-term capital growth utilising a diversified portfolio with a slight bias towards growth assets (currently 40 per cent defensive and 60 per cent growth but subject to change at our discretion).</p>	 <ul style="list-style-type: none"> Global Shares 45% Australian Shares 15% International Fixed Interest 30% NZ Cash 10% 	4	5 years
<p>Global Equities Fund</p> <p>Objective: To aim to achieve a gross return before tax, fees and expenses at least equal to or higher than the MSCI All Country World ex Australia Accumulation Index.</p> <p>Strategy: To aim to achieve long-term capital growth through a structured exposure to listed global shares.</p>	 <ul style="list-style-type: none"> Global Shares 97% NZ Cash 3% 	5	7 to 10 years

We can change the statement of investment policy and objectives (SIPO) in accordance with the Trust Deed and the FMC Act. We will consult with the Supervisor before making any changes, and investors will be notified of any material changes in advance. Any changes to the SIPO will be advised in the Scheme’s Annual Report. The most recent version of the SIPO can be found on the Scheme Register at companiesoffice.govt.nz/disclose.

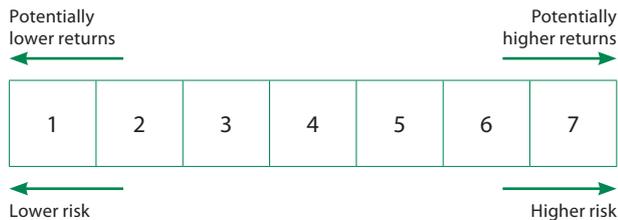
Further information about the assets in the Funds can be found in the fund updates at britanniafinancial.co.nz/integral-master-trust/forms-and-documents.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Risk Indicator example



The risk indicator for each Fund can be found on page 3.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz/tools/investor-kickstarter

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading "Other specific risks") that are not captured by this rating.

This risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the returns data for the five years ending on 31 March 2020. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest Fund Update for each Fund.

General investment risks

Some of the things that may cause the Funds' value to move up and down, which affect the risk indicator, are market risk and volatility, asset class risk, currency risk and interest rate risk. The impact of these risks is that the Funds could have negative returns or lower than expected returns. The risks are summarised below:

Market risk and volatility

This is the risk that events affect financial markets generally. Global markets can be severely impacted by events such as recession, political instability, economic uncertainty, pandemic, technological change, financial market disruption or instability within particular countries or industries. Any of these can impact markets for shares, commodities, property and currencies.

Asset class risk

The Cash Holding Fund, Fixed Interest Fund and Global Equities Fund are primarily invested in one asset class (being cash, fixed interest and global shares respectively) meaning none of these Funds are diversified across asset classes. If market prices for the relevant asset class fall, they will generate losses for that Fund.

You should ensure that the asset classes you are exposed to are suitable for your particular circumstances. We encourage you to get advice from a financial adviser before investing.

Currency risk

Investment in international markets involves currency risk. Adverse movements in exchange rates can reduce the value of your investment. For example, a fall in the New Zealand dollar can result in an increase in the value of international investments. Conversely, a rise in the New Zealand dollar can decrease the value of your international investments.

The Fixed Interest, Diversified 40, Diversified 60 and Global Equities Funds all invest in international markets. While fixed interest investments are fully hedged to the New Zealand dollar, share investments are not hedged.

Interest rate risk

Investments in cash or fixed interest are subject to interest rate risk where an interest rate change directly affects return. Interest rate changes also have an effect on share markets and property markets. The effect may take some time to impact these markets, although the expectation of a change is often built into prices. For these markets, it is the difference between the expectation and the actual change in the interest rate that will affect the return on your investment.

In low interest rate environments returns from cash and fixed interest investments may also not keep pace with inflation.

Other specific risks

The majority of units issued by the IMT are owned by a single key party closely related to the Manager. That party may withdraw their investments in the IMT at any time. Such a withdrawal could affect the ongoing viability of the Scheme.

For more information on the risks, see the "Other Material Matters" document on the offer register at companiesoffice.govt.nz/disclose.

5. What are the fees?

You will be charged fees for investing in the IMT. Fees are deducted from your investment and will reduce your returns. If Britannia invests in other funds, those other funds may also charge fees. The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term
- one-off fees (for example, buy/sell spreads)

Annual fund charges

Fund	Management Fees (excluding GST)	Estimated Administration Charges (excluding GST)	Total Estimated Annual Fund Charges (excluding GST)
Cash Holding Fund	0.50%	0.27%	0.77%
Fixed Interest Fund	0.50%	0.51%	1.01%
Diversified 40 Fund	0.75%	0.48%	1.23%
Diversified 60 Fund	0.75%	0.50%	1.25%
Global Equities Fund	0.75%	0.57%	1.32%

Annual fund charges are calculated as a percentage of the net asset value of the Fund.

Investing through selected financial advisers may result in a discount on the annual fund charges. Your adviser will inform you if this applies to your investment.

There are currently no contribution, establishment, termination, withdrawal or performance fees.

Where applicable, GST has been excluded in the fees described in the table above.

Management Fee

Britannia is paid a management fee which is accrued daily and charged monthly in arrears.

Administration Charges

These charges are for general administration of the Funds, such as Supervisor, Custodian, legal and accounting fees, and the costs of underlying funds. These costs are an estimate. The actual charges for the previous 12 months are available in the latest fund update.

Britannia and the Supervisor may charge various expenses for which they are entitled to be reimbursed from the Scheme's assets. These are included in the administration charges above.

Individual action fees and trading costs

Fund	Buy/Sell spread
Cash Holding Fund	Not applicable
Fixed Interest Fund	Not applicable
Diversified 40 Fund	0.05% / 0.05%
Diversified 60 Fund	0.08% / 0.08%
Global Equities Fund	0.16% / 0.16%

A buy/sell spread is charged each time you make a deposit or withdrawal. This additional charge is an allowance made for brokerage, underlying manager spreads and other transaction costs associated with buying and selling the investments of the Funds.

This cost is not paid to Britannia. It is paid to the Funds so that current investors will only share part (if any) of the transaction costs incurred when other investors apply for or withdraw units.

Buy/sell spreads may be changed or imposed at any time, without notice, to reflect the Manager's assessment of underlying transaction costs.

Example of how fees apply to an investor

Louise invests \$10,000 in the Diversified 60 Fund of the IMT. A buy spread of 0.08% is incorporated in the unit price that she pays for her investment. This equals \$8.

This brings the starting value of her investment to \$9,992.

She is also charged management and administration fees, which work out to about \$125 (1.25% of \$9,992). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year

Individual action fees:	\$8
Fund charges:	\$125

See the latest fund update for an example of the actual returns and fees investors were charged over the past year.

This example applies only to the Diversified 60 Fund. If you are considering investing in other Funds in the scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We can change these fees from time to time in accordance with the Trust Deed and applicable law. We can also add new fees, but all changes must be in accordance with the Trust Deed and all applicable law.

Britannia must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including any past updates, are available on the offer register at companiesoffice.govt.nz/disclose.

6. What taxes will you pay?

IMT is a Portfolio Investment Entity (PIE). The amount of tax you pay is based on your Prescribed Investor Rate (PIR).

To determine your PIR, go to ird.govt.nz/roles/portfolio-investment-entities/find-my-prescribed-investor-rate. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied.

If the advised PIR is lower than the correct rate, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than the correct PIR, you may not get a refund of any overpaid tax.

You will also need to provide your IRD number and any tax residency information we request. If you do not provide this information, we may close your investment.

7. Who is involved?

About Britannia

Britannia is a licenced investment manager and part of the Britannia Group of companies.

You can contact us by:

Physical: Unit 4, 106 Bush Road, Albany, Auckland 0632

Phone: 0800 377 333

Email: integral@britanniafinancial.co.nz

Who else is involved?

Title	Name	Role
Supervisor	Public Trust	Supervisor of the Scheme under the FMC Act, responsible for supervising Britannia as manager of the IMT.
Custodian	Integral Nominees Limited	A wholly owned subsidiary of the Supervisor, who holds the assets of the Scheme on behalf of investors.
Investment Manager	IOOF QuantPlus, a division of IOOF Investment Services Limited	Manages funds that the scheme holds for investors under instructions from Britannia.
Registrar	Appello Services Limited	Appointed by Britannia to provide registry services to the Scheme.
Administration Manager	MMC Limited	Appointed by Britannia to provide unit pricing and fund accounting services to the Scheme.

8. How to complain

If you have any complaints or problems with this investment, you can contact us using the contact details in Section 7 ("Who is involved?").

You can also complain to the Supervisor at:

Level 9, 34 Shortland Street, Auckland 1010
PO Box 1598, Shortland Street, Auckland 1140
0800 371 471
enquiry@trustee.co.nz
publictrust.co.nz/corporate-trustee-services

Britannia is a member of an independent dispute resolution scheme operated by the Insurance & Financial Services Ombudsman (IFSO), an approved dispute resolution scheme under the Financial Service Providers (Registration and Dispute Resolution) Act 2008. If your complaint is not resolved within 40 days after contacting us or the Supervisor, or if you are dissatisfied with the proposed resolution, you can refer it to the Insurance & Financial Services Ombudsman at:

Level 2, Solnet House
70 The Terrace
Wellington
PO Box 10-845
Wellington 6143
Phone: (04) 499 7612

The Insurance & Financial Services Ombudsman will not charge you a fee to investigate or resolve a complaint. Further information about referring a complaint to the Insurance & Financial Services Ombudsman can be found at ifso.nz.

9. Where you can find more information

Further information about the IMT is available on the offer register and the scheme register which can be found at companiesoffice.govt.nz/disclose. A copy of the information on the offer register and the scheme register is available on request to the Registrar of Financial Service Providers.

Other information we will provide

You can also obtain the following information, free of charge:

Information	How to obtain
Latest unit price	The latest unit price is available by viewing your online account at integralonline.co.nz or by contacting us.
Fund information relevant to you	You can inspect documents we hold that are relevant to you (such as the part of the unit register that relates to you) at our offices during normal business hours, or request an extract of those documents, by written request to us.
Fund updates	Fund updates for each Fund are publicly available on our website and can be requested from us.
Annual report	Each annual report will be available on our website. If we send you a notice letting you know when the Fund's annual report is available each year (rather than sending you a hard copy), you will have the right to request a hard copy from us.

10. How to apply

The forms to apply for the IMT can be found at britanniafinancial.co.nz/integral-master-trust/forms-and-documents. Please contact your financial adviser for assistance with completing the forms.

We will require proof of your identity and address, and may require proof of source of funds due to anti-money laundering rules. Your financial adviser can assist with this.

Glossary

Term	Definition
Asset class	means a category of similar financial assets (e.g. global shares, fixed interest, listed property)
Business Day	means any day other than a Saturday or Sunday on which banks are open for general banking business in Auckland and Wellington, New Zealand
FMC Act	means the Financial Markets Conduct Act 2013
IMT	means the Integral Master Trust
Manager	means Britannia Financial Services Limited
PIE or PIEs	means a portfolio investment entity, which is an entity that has elected into a special tax regime and which pays tax on your portion of its income based on your PIR
PIR	means Prescribed Investor Rate, which is a tax rate elected by investors in a PIE, and is either 0%, 10.5%, 17.5% or 28%
Trust Deed	means the Trust Deed for the Integral Master Trust dated 14 April 2020 (as amended and consolidated from time to time)
We, us, our or ourselves	means Britannia as manager of the IMT
You	means you, as a potential investor in the IMT

Contact us

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